



This document is scheduled to be published in the
Federal Register on 03/05/2012 and available online at
<http://federalregister.gov/a/2012-05221>, and on FDsys.gov

DEPARTMENT OF COMMERCE

BUREAU OF INDUSTRY AND SECURITY

Delfin Group USA LLC
4950 Virginia Avenue
North Charleston, South Carolina 29405

650 Saint Regis Lane
Alpharetta, Georgia 30022

Marcos Baghdasarian
4950 Virginia Avenue
North Charleston, South Carolina 29405

650 Saint Regis Lane
Alpharetta, Georgia 30022

Bagdel Corporation
4950 Virginia Avenue
North Charleston, South Carolina 29405

650 Saint Regis Lane
Alpharetta, Georgia 30022

Naren Sachanandani
P.O. Box 9645, Q4-280
Sharjah Airport International Free Zone
Sharjah, United Arab Emirates

Do-It FZC
P.O., Box 9645, Q4-280
Sharjah Airport International Free Zone
Sharjah, United Arab Emirates

Respondents.

ORDER TEMPORARILY DENYING EXPORT PRIVILEGES

Pursuant to Section 766.24 of the Export Administration Regulations (“EAR” or the “Regulations”),¹ the Bureau of Industry and Security (“BIS”), U.S. Department of Commerce, through its Office of Export Enforcement (“OEE”), has requested that I issue an Order temporarily denying, for a period of 180 days, the export privileges under the EAR of:

1. Delfin Group USA LLC
4950 Virginia Avenue
North Charleston, South Carolina 29405

650 Saint Regis Lane
Alpharetta, Georgia 30022
2. Marcos Baghdasarian
4950 Virginia Avenue
North Charleston, South Carolina 29405

650 Saint Regis Lane
Alpharetta, Georgia 30022
3. Bagdel Corporation
4950 Virginia Avenue
North Charleston, South Carolina 29405

650 Saint Regis Lane
Alpharetta, Georgia 30022
4. Naren Sachanandani
P.O. Box 9645, Q4-280
Sharjah Airport International Free Zone
Sharjah, United Arab Emirates
5. Do-It FZC
P.O. Box 9645, Q4-280
Sharjah Airport International Free Zone
Sharjah, United Arab Emirates

¹ The EAR is currently codified at 15 C.F.R. Parts 730-774 (2011). The EAR are issued under the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“EAA”). Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive presidential notices, the most recent being that of August 12, 2011 (76 Fed. Reg. 50661 (Aug. 16, 2011)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701, et seq.) (“IEEPA”).

LEGAL STANDARD

Pursuant to Section 766.24(b) of the Regulations, BIS may issue a TDO upon a showing that the order is necessary in the public interest to prevent an “imminent violation” of the Regulations. 15 C.F.R. § 766.24(b)(1). “A violation may be ‘imminent’ either in time or degree of likelihood.” 15 C.F.R. § 766.24(b)(3). BIS may show “either that a violation is about to occur, or that the general circumstances of the matter under investigation or case under criminal or administrative charges demonstrate a likelihood of future violations.” Id. As to the likelihood of future violations, BIS may show that “the violation under investigation or charges is significant, deliberate, covert and/or likely to occur again, rather than technical or negligent [.]” Id. A “lack of information establishing the precise time a violation may occur does not preclude a finding that a violation is imminent, so long as there is sufficient reason to believe the likelihood of a violation.” Id.

BACKGROUND AND FINDINGS

OEE has presented evidence that beginning in or about mid-2010, and continuing thereafter, Delfin Group USA LLC (“Delfin”) and its president, Markos Baghdasarian (“Baghdasarian”), have conspired with multiple entities and individuals, including entities and individuals located in the United Arab Emirates (“UAE”), to export U.S.-origin items subject to the Regulations from the United States to Iran, via transshipment through the UAE, without obtaining the required authorization from the U.S. Government. Delfin/Baghdasarian have used Bagdel Corporation (“Bagdel”), a freight forwarding company, to facilitate the export and attempted export of the items—polymers and lubricating oils or oil additives, including aviation engine lubricating oils—from the United States to Iran via the UAE. Baghdasarian is the chief executive officer of Bagdel.

The evidence indicates that beginning in or about June 2010, Delfin/Baghdasarian conspired with Naren Sachanandani (“Sachanandani”) and his company Do-It FZC and others to develop a scheme to obtain U.S.-origin items for Iranian customers or potential customers, including Pars Oil & Gas Company (“Pars Oil”), a subsidiary of the Iranian-government owned National Iranian Oil Company. Do-It FZC is located at the Sharjah Airport International Free Zone in the UAE. Pursuant to this scheme, the items exported by Delfin and forwarded by Bagdel or others would be re-labeled or re-packaged after they arrived in the UAE and transshipped on to Iran.

Delfin/Baghdasarian have filed at least 17 shipper’s export declarations (“SEDs”) between February 3, 2011 and January 29, 2012, that relate to the export of the items in quantities valued in the millions of dollars in the aggregate and that identify Do-It FZC or another UAE general trading company as the ultimate consignee. Open source information indicates that Sachanandani is the owner of Do-It FZC, which is listed as the ultimate consignee on 15 of the 17 SEDs, and evidence also indicates that Do-It FZC and the other UAE general trading company are not end users of such items, especially in such large quantities.

As provided in Section 746.7 of the Regulations, no person may export to Iran any item that is subject to the EAR, if such transaction is prohibited by the Iranian Transactions Regulations (“ITR”)² and has not been authorized by OFAC. Under Section 560.204 of the ITR, the exportation, reexportation, sale or supply, directly or indirectly, from the United States of any goods to Iran is prohibited by the ITR, including the exportation, reexportation, sale or supply of items from the United States to a third country, such as the UAE, undertaken with knowledge or reason to know that the items are intended for supply, transshipment, or reexportation, directly or

² 31 C.F.R. Part 560.

indirectly, to Iran. OFAC authorization was not obtained for any of the export transactions at issue. The evidence shows that Respondents were aware of the prohibitions on exporting U.S.-origin items to Iran and developed a scheme to evade these prohibitions.

When OEE sought documents from Delfin relating to an export transaction in or about late August 2011, those efforts were ignored by Delfin and no documents or other cooperation provided. More recently, U.S. law enforcement and customs agents have been able to administratively detain several recent Delfin exports or attempted exports at U.S. ports concerning which Do-It FZC was listed as the ultimate consignee. Additionally, OEE has issued redelivery orders in accordance with Section 758.8 of the Regulations for additional shipments that had left the United States, but had not reached Do-It FZC.

These administrative measures, however, contain limitations and provide U.S. law enforcement and customs agents with an extremely short window in which to attempt to detect and then seek to stop a shipment once an SED has been filed. Moreover, administrative detentions by U.S. Customs and Border Patrol are not indefinite and OEE re-delivery orders rely on the cooperation of vessel owners or other carriers to turn shipments around and/or on foreign governments to timely intercept and detain shipments after they have arrived in their countries. The issuance of a TDO provides a more comprehensive and effective approach to preventing imminent violations before they occur, by giving notice to persons and companies in the United States and abroad that they should cease dealing with the Respondents in export transactions involving items subject to the EAR.

OEE submits, in sum, that violations of the EAR are imminent as defined in Section 766.24 of the Regulations. I agree based on the evidence of Respondents' deliberate, significant, and deceptive conduct designed to procure and export U.S.-origin items from the United States

to Iran, including via transshipment through the UAE, without the required U.S. Government authorization. I also find that the conduct in this case is deliberate, significant, and likely to occur again absent the issuance of a TDO. Therefore, I find that a TDO naming Delfin Group USA LLC, Marcos Baghdasarian, Bagdel Corporation, Naren Sachanandani, and Do-It FZC is necessary, in the public interest, to prevent an imminent violation of the EAR.

This Order is being issued on an ex parte basis without a hearing based upon BIS's showing of an imminent violation.

I. ORDER

IT IS THEREFORE ORDERED:

FIRST, that the Respondents, DELFIN GROUP USA LLC, 4950 Virginia Avenue, North Charleston, South Carolina 29405 and 650 Saint Regis Lane, Alpharetta Georgia 30022; MARCOS BAGHDASARIAN, 4950 Virginia Avenue, North Charleston, South Carolina 29405 and 650 Saint Regis Lane, Alpharetta Georgia 30022; BAGDEL CORPORATION, 4950 Virginia Avenue, North Charleston, South Carolina 29405 and 650 Saint Regis Lane, Alpharetta Georgia 30022; NAREN SACHANANDANI, P.O. Box 9645, Q4-280, Sharjah Airport International Free Zone, Sharjah, United Arab Emirates; and DO-IT FZC, P.O. Box 9645, Q4-280, Sharjah Airport International Free Zone, Sharjah, United Arab Emirates and each of their successors or assigns and, when acting for or on behalf of any of the foregoing, each of their officers, representatives, agents or employees (each a "Denied Person" and collectively the "Denied Persons") may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Export Administration Regulations ("EAR"), or in any other activity subject to the EAR including, but not limited to:

A. Applying for, obtaining, or using any license, License Exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR; or

C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR.

SECOND, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of a Denied Person any item subject to the EAR;

B. Take any action that facilitates the acquisition or attempted acquisition by a Denied Person of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby a Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from a Denied Person of any item subject to the EAR that has been exported from the United States;

D. Obtain from a Denied Person in the United States any item subject to the EAR with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the EAR that has been or will be exported from the United States and which is owned, possessed or controlled by a Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by a Denied Person if such service involves the use of any item subject to the EAR that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

THIRD, that, after notice and opportunity for comment as provided in section 766.23 of the EAR, any other person, firm, corporation, or business organization related to a Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

FOURTH, that this Order does not prohibit any export, reexport, or other transaction subject to the EAR where the only items involved that are subject to the EAR are the foreign-produced direct product of U.S.-origin technology.

In accordance with the provisions of Section 766.24(e) of the EAR, the Respondents may, at any time, appeal this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.

BIS may seek renewal of this Order by filing a written request with the Assistant Secretary of Commerce for Export Enforcement in accordance with the provisions of Section 766.24(d) of the EAR, which currently provides that such a written request must be submitted not later than 20 days before the expiration date. A Respondent may oppose a request to renew this Order in accordance with Section 766.24(d), including by filing a written submission with the Assistant Secretary of Commerce for Export Enforcement, supported by appropriate

evidence. Any opposition ordinarily must be received not later than seven days before the expiration date of the Order.

Notice of the issuance of this Order shall be given to Respondents in accordance with Sections 766.5(b) and 766.24(b)(5) of the Regulations. This Order also shall be published in the Federal Register.

This Order is effective immediately and shall remain in effect for 180 days.

DONALD G. SALO
Deputy Assistant Secretary of Commerce
for Export Enforcement

Issued this __25th____ day of February 2012.

[FR Doc. 2012-5221 Filed 03/02/2012 at 8:45 am; Publication Date: 03/05/2012]